DATE: December 7, 2009

TO: Karen Lee, Commissioner
            Employment Security Department

            Charlie Earl, Executive Director
            State Board of Community and Technical Colleges

FROM: Anthony J. Wright, Assistant Commissioner
            Employment & Career Development Division
            Employment Security Department

RE: Response to the workforce system review

Thank you for the opportunity to comment on the draft workforce development system review and recommended solutions. This document represents the collective response from Employment Security's Employment and Career Development Division (ECDD), including its 12 area directors.

ECDD's role within the system

To provide context for our feedback, it is important to note the unique role ECDD plays within the workforce system. Our staff and management are strategically located in more offices across the state than any other WorkSource partner. Our area directors serve on the local board for every workforce development area in the state. Centrally, ECDD serves as the grant administrator for several major fund sources, and operates major programs (such as Wagner Peyser, Reemployment / Unemployment Insurance, WorkFirst, etc.), through which, ECDD staff serve more than 90 percent of system customers.

Based on our very broad perspective, we believe it is paramount that we have consistent standards and expectations for all customers. We recognize that local areas must be granted some level of flexibility to customize services to meet unique needs; however, that need must not supersede our customers' need for consistent, high-value services. The WorkSource brand is universal across the state, and customers – job seekers and businesses alike – deserve to have a reliable, quality experience when interacting with WorkSource. In many documented cases, they do not.

General feedback

ECDD supports the overall approach of this report, including the recommendation for a new executive order that clarifies specific roles; the call for system-wide standards and measures; and the emphasis on enforcement of those standards and measures. Previous reviews of the system, such as Washington Works, have included recommendations for improvement. However, we believe, without the backing of a new executive order mandating implementation, many efforts to make the system operate more effectively will remain unresolved.

We further support the timing of this review. It has been approximately a decade since the Workforce Investment Act (WIA) was enacted and we have learned much about which elements of the Act have been successfully implemented and where it is not working effectively. Current economic conditions, including the unprecedented level of unemployment, have further exposed

weaknesses in the system. These weaknesses must be addressed to better serve our customers and position people to find new jobs when the economy recovers.

One key to improving services for customers is consistent performance management throughout the system. From our local perspectives, we believe in the establishment of standards, the aggressive monitoring of those standards, and the ground-level accountability and transparency of each and every one of our 983 staff. We admit that this is uncomfortable; however, it is a necessary performance management step that we believe prudent managers should openly accept and even embrace. We are up to the challenge because our customers deserve a quality and consistent experience. However, most importantly, this type of accountability is not accepted among all partners throughout our local systems today.

Active performance management also relies on *effective* system-wide oversight, not just local or state control. Today, we exist in a system where some one-stop operators have very limited visibility or understanding regarding many of the major programs operated in WorkSource (such as WorkFirst, UI or MSFW). As a result, the programs that touch many of our WorkSource customers are rarely addressed by local boards, and/or their sub-committees.

As current board members, it has been our collective experience that most boards are not fully engaged in the whole system, which we believe limits their ability to effectively oversee the entire system. Historically, much of their focus has been on local control and specific WIA performance (DW, Youth and Adult), instead of proper oversight accountability or strategic planning. In some cases local boards meet quarterly, some for as little as 45 minutes, and more often than not, the discussions are narrowly focused on traditional WIA services that serve a very small percentage of customers in need of assistance. Overall, there is little to no substantive discussion about the oversight of the entire system, and there appears to be no checks or balances in place to ensure that this occurs regularly or effectively.

In summary, we believe that our workforce development system is not efficient with the resources at its disposal because of a failure to properly oversee and manage those resources collaboratively at the state or local level. We also completely understand that local boards have both strategic and operational responsibilities. We have purposefully elected to comment primarily on operational issues because we strongly feel that, as a system, we can be better operationally. The strength or weakness of a local board, their ability to partner, negotiate, and nurture relationships will often drive the customer experience, and there are too few mechanisms in place to accelerate change when business needs, priorities, or relationships shift. Without proper accountability, our problems will continue to persist.

Response to problem statements and solutions

To ensure that the solutions presented in the workforce system review are implemented in a manner consistent with the intent, we recommend the following changes throughout the report:

- **Use more specific terms, such as "will" and "required,"** rather than relying on broad terms, such as "should" and "encourage," that are difficult to define, measure and enforce. As noted above, previous reviews have included vague recommendations that have not resulted in actionable change within the system.

- **Define common terms** and use terms consistently. For example:

- o Customers include both job seekers and businesses. Job seekers include special populations with specific barriers to employment, such as farm workers, WorkFirst parents, homeless people and refugees. Also, the terms "customer" and "client" are used interchangeably throughout.

- o Co-enrollment and integration are insider terms that are often interpreted inconsistently.

- o For many readers, WIA and Wagner-Peyser represent distinct sets of programs. In some sections of the report (such as Solution 3.1), WIA appears to encompass both.

- **Identify where recommended actions are allowed under current authority** and cite the specific section of law or policy that applies.

Following is feedback on each set of problem and solution statements.

Section 1

The problem statement should state "staff-assisted services" rather than "specialized services." The number of people who need staff-assisted services exceeds the capacity of existing staff dedicated to serve all customers. Co-enrollment may help address this issue by giving partners increased ownership of customers by increasing the number of partner staff who provide core services.

Under the current system, we have inconsistent caseload expectations across programs. Different case management models do not necessarily equate to efficiency when considering the increased volume of job seekers entering our system.

While all programs have seen significant increases over the last year, WIA caseloads (specifically core services) are disproportionately lower across the state. They have not kept pace with the increase in potentially WIA-eligible customers who require assistance. Rather than focusing on helping more customers, the program's focus appears to be on managing controlled performance outcomes for a relatively small cohort of individuals who are carefully selected for enrollment.

To truly solve the problem statement and better serve customers, the solutions in this section must clarify that partners have a specific and shared responsibility for all customers and specify that the commitment to common customers be reflected in local plans and MOUs.

Solution 1.2 should explicitly require that local boards expand their focus to include all programs in line with their responsibility to oversee the entire one-stop system, and that they engage more actively in the community to truly fulfill their obligation to all system customers.

Without specificity, we don't believe the current language will achieve change. Evidence shows (Washington Works as an example) that vague language has historically been misinterpreted, leading to many stalled efforts.

Section 2

While we agree with the intent of the solutions in this section, they do not directly address the lack of transparency in funding options for training. Multiple funding sources exist within the workforce development system, but navigating the options can be complex and overwhelming.

Potential solutions could include co-locating WorkSource staff on community college campuses and/or co-locating community college staff at local WorkSource centers. We recognize that co-location has been attempted in the past with mixed results. However, we believe a more strategic approach with clearly defined expectations and performance measures would result in improved access to training options throughout the system.

Solution 2.2 could also be strengthened to specify partners work with local apprenticeship programs to develop programs for WorkSource customers. The traditional structure of apprenticeships that combines classroom training with paid on-the-job training would make training a viable option for more people and help address employers' future labor needs.

Section 3

The solutions specified in this section are vital to achieving a consistent, high-quality network of WorkSource offices across the state and to ensuring that local boards fulfill their requirement to oversee the system as a whole. The shift to a statewide approach with a focus on accountability and the inclusion of performance in the criteria for certification of local boards will result in a more efficient system that more consistently meets customer needs.

We recognize that establishing operational standards and outcome measures at the state level is controversial among some system partners, but we firmly support formally recognizing ESD's authority as the administrator of statewide operations. This is in line with the agency's responsibility as the WIA grant administrator, and we believe it will result in consistent high-level operations across the system.

WorkSource cannot deliver on its brand promise in the absence of consistent operations across local areas (nor can WorkFirst, UI, etc). We recognize the need for local areas to maintain some level of flexibility to address unique issues, and we do not believe consistent operational measures exclude that local flexibility.

Finally, this section would benefit from clarity on the specific types of measures referenced. For example, the problem statement addresses general measures while the solutions focus on outcome measures. They do not include process measures. It's also important to note that this section applies only to system measures; program-specific measures would still be in place.

Section 4

The problem statement may not address the real issue, which we believe is an inconsistent interpretation, and in some cases, a flat out rejection of roles and responsibilities. As an example, WIA mandates that WDCs have a responsibility to oversee the *entire* local system, including the effectiveness of the one-stop operator – not just the parts of the system that align with their formulaic funding streams. As local board members, we can attest that throughout the state, this does not typically occur.

We also feel that WDCs share the responsibility with ESD to educate partners about WIA.

Section 5

This problem statement covers two distinct issues: planning needs to be simplified and coordination needs to be improved to serve more customers. The second issue is a better fit under Section 1 and we recommend it be addressed there.

We fully support a simplified planning process that results in a single meaningful plan for each area. To achieve this, we recommend including a requirement (rather than a recommendation) that all key partners participate in local plan development and that WSID monitor performance based on these plans in addition to individual programs. Currently, many local plans are developed by WDC staff with limited input from local partners, including technical and community colleges. The result is narrowly focused plans that do not fully address all system programs.

Section 6

To increase clarity in this section, we recommend the following revisions:

- The last sentence of the problem statement should read "limited service standards" rather than "no service standards."

- Solution 6.1 should specify the level of operational policies and standards for which WSID is responsible. Is it all policies, major policies, or some other threshold?

- Solution 6.3 should specify that partners be physically located in the one-stop center, not just available by electronic link, to qualify for infrastructure funding. It should further specify that funding applies only to comprehensive one-stop centers.

- Solution 6.4 should focus on the customer and specify that staff be proficient in the full array of options available, rather than focus on training which may not fully address the problem.

- Add a requirement that certification of affiliates, and adherence to those certification standards, be monitored and level of service enforced both locally and by WSID. Currently, there are certified affiliates that do not abide by the criteria outlined in their local agreements, such as the mandatory use of SKIES.

Section 7

This section relies on high-level statements that may not fully reflect the intent. We recommend strengthening this section by specifically tying it back to performance and GMAP. We further recommend clarifying how LMI and research can be used to assist local areas in strategic planning and to improve services to both business and job seeking customers.

Thank you again for the opportunity to provide feedback on this report. We feel strongly that adoption of the recommended solutions including the revisions included above will result in a highly effective and efficient workforce development service that better meets the need of Washington citizens and employers.